A0400-1

The Aluminum Situation

ECONOMICS AND STATISTICS — OCTOBER 1990

INDUSTRY SHIPMENTS DOWN 4.0 PERCENT FROM 1989

During the first eight months of 1990, industry net shipments totaling 10,642 million pounds, decreased 4.0 percent from the 1989 comparative level of 11,084 million pounds.

Domestic shipments for eight months of 1990, totaling 8,958 million pounds, were down 6.6 percent from the previous year total of 9,586 million pounds.

U.S. exports of aluminum ingot and mill products, totaling 1,684 million pounds during the first eight months, increased 12.5 percent from the 1989 total of 1,497 million pounds.

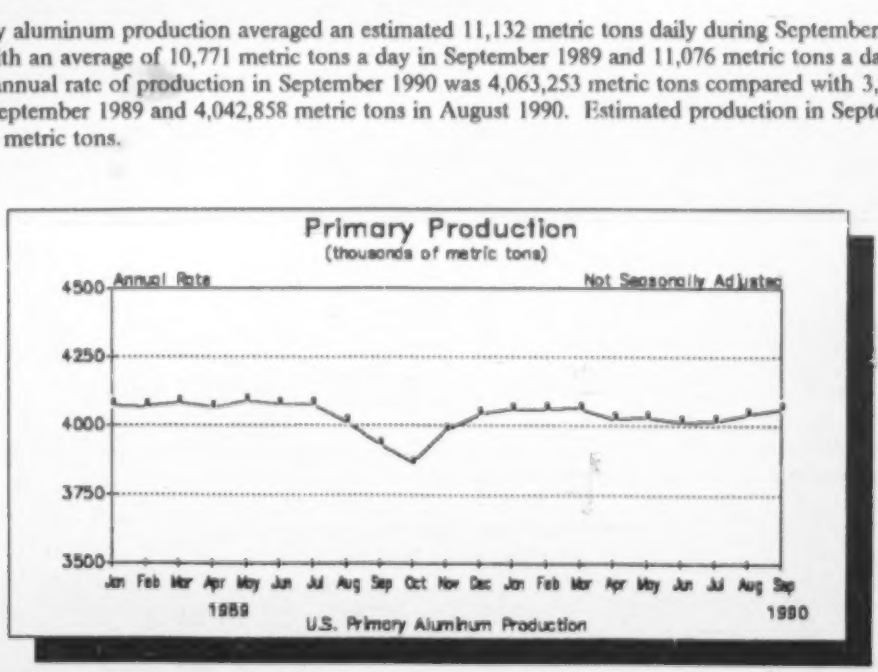
THRU AUGUST 1990

	1990 8 Mos.	1989 8 Mos.	% Change
Mill Products	8,753	8,910	-1.8
Ingot	1,889	2,174	-13.1
Total	10,642	11,084	-4.0
Less Exports	1,684	1,497	12.5
Domestic Total	8,958	9,586	-6.6

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 11,132 METRIC TONS

U.S. primary aluminum production averaged an estimated 11,132 metric tons daily during September 1990. This compares with an average of 10,771 metric tons a day in September 1989 and 11,076 metric tons a day in August 1990. The annual rate of production in September 1990 was 4,063,253 metric tons compared with 3,931,342 metric tons in September 1989 and 4,042,858 metric tons in August 1990. Estimated production in September 1990 was 333,966 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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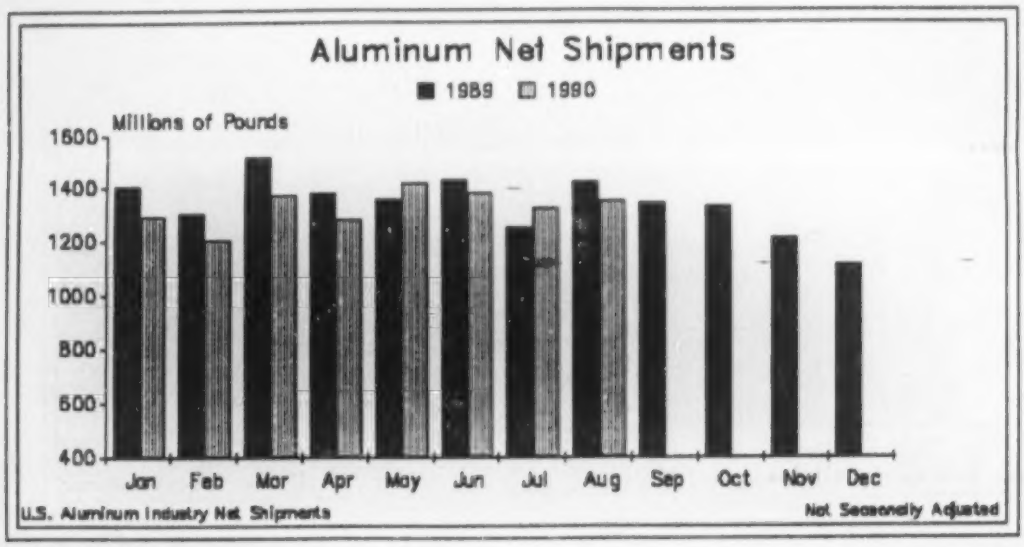
AUGUST INDUSTRY SHIPMENTS REPORTED AT 1,353 MILLION POUNDS

August industry net shipments totaling 1,353 million pounds increased 2.2 percent over the previous month's revised total of 1,324 million pounds. Year-to-date, industry net shipments totaling 10,642 million pounds, decreased 4.0 percent from the 1989 level of 11,084 million pounds for the same period. Domestic shipments for eight months of 1990, totaling 8,958 million pounds, were down 6.6 percent from the previous year total of 9,586 million pounds. U.S. exports of aluminum ingot and mill products, totaling 1,684 million pounds during the first eight months, increased 12.5 percent from the 1989 total of 1,497 million pounds.

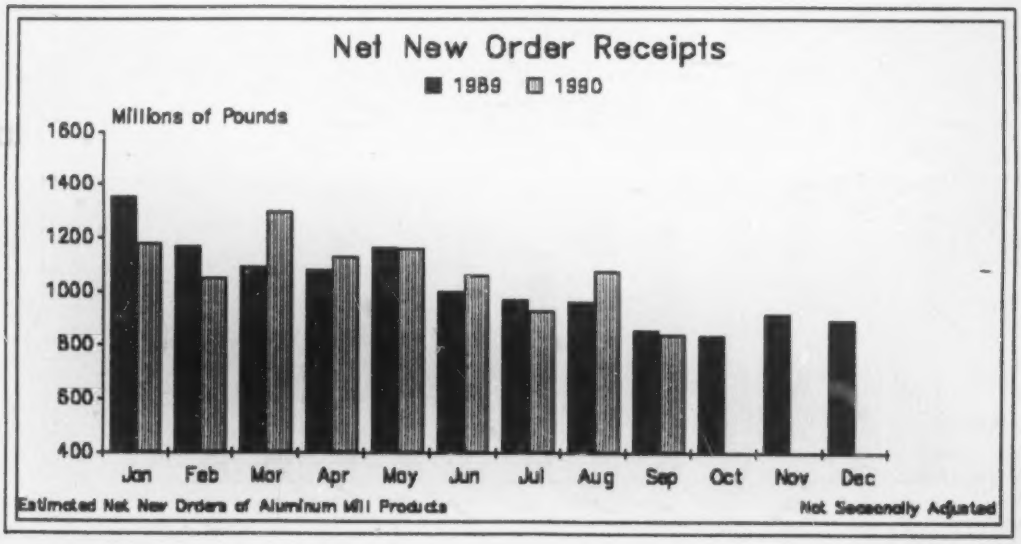


NET SHIPMENTS (Millions of Pounds)	1990 August	1989 August	1990 8 Mos.	1989 8 Mos.	% Change 1990 vs 1989
Sheet	673.7	664.2	4,933.4	5,068.1	-2.7
Plate	22.4	27.7	172.1	212.5	-19.0
Foil	74.6	79.1	613.5	597.7	2.6
Rod,Bar & Wire	30.9	16.9	215.0	143.0	50.3
Elec. Conductor	51.7	62.5	406.3	476.8	-14.8
Extruded Shapes,Tube	228.9	228.0	1,745.4	1,810.0	-3.6
Powder & Paste	10.5	7.9	66.4	61.7	7.6
Forgings & Impacts	13.9	12.7	105.9	107.8	-1.7
Net Imports of Mill Products (Total) (a)	61.3	56.1	495.1	432.3	14.5
Total Mill Products	1,168.0	1,155.1	8,753.1	8,909.9	-1.8
Ingot	185.4	270.3	1,889.2	2,173.6	-13.1
TOTAL INDUSTRY SHIPMENTS	1,353.4	1,425.5	10,642.3	11,083.6	-4.0
Exports	180.6	221.2	1,684.0	1,497.3	12.5
TOTAL DOMESTIC SHIPMENTS	1,172.8	1,204.3	8,958.3	9,586.2	-6.6

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

INDUSTRY NEW ORDERS UP 0.8 PERCENT OVER 1989

Estimated net new order receipts of aluminum mill products for nine months of 1990 totaling 9,737 million pounds, increased 0.8 percent from the previous year nine month total of 9,663 million pounds. During the month of September, industry order receipts totaling 842 million pounds, decreased 21.8 percent from the previous month.



ORDER RECEIPTS (Millions of Pounds)	1990 Sept.	1989 Sept.	1990 9 Mos.	1989 9 Mos.	% Change 1990 vs 1989
Sheet & Plate, Other	284.5	264.9	3,237.3	3,186.9	1.6
Can Stock (a)	209.5	249.1	2,905.4	2,863.0	1.5
Foil	67.3	76.6	769.9	756.8	1.7
Bar, Rod & Wire	40.9	30.8	401.7	310.7	29.3
Electrical Conductor	44.4	43.5	416.5	501.4	-16.9
Extruded Shapes & Tube	172.4	173.8	1,799.7	1,844.0	-2.4
Powder & Paste	10.5	10.6	97.3	86.1	13.0
Forgings & Impacts	12.1	10.0	109.0	113.6	-4.0
Total Mill Products	841.6	859.3	9,736.8	9,662.5	0.8

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DOWN 132 MILLION POUNDS

Producer inventories decreased in August 1990 to a reported total of 3,349 million pounds. This represents an 132 million pound increase from the revised July level of 4,081 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
June	3,911	1,332	579	2,000
July	4,081r	1,427r	599r	2,055r
August	3,949	1,341	630	1,978

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 32.8 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of August 31, 1990 was 32.8, down 3.8 percent from inventories reported at the end of July.

Month-End Aluminum Customer Inventories
(Average Number of Days)

June	33.2
July	34.1
August	32.8

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1990 August	1989 August	1990* 8 Mos.	1989 8 Mos.	% Change 1990 vs 1989
Imports	Mill Products	82.2	88.1	690.7	664.5	3.9
	Ingot	181.5	202.8	1,540.9	1,474.2	4.5
	Total	263.7	290.9	2,231.7	2,138.7	4.3
	Scrap (+ dross)	46.6	50.3	411.3	324.5	26.8
	Grand Total	310.3	341.2	2,643.0	2,463.2	7.3
Exports	Mill Products	94.0	106.4	728.8	777.9	-6.3
	Ingot	86.6	114.8	955.2	719.4	32.8
	Total	180.6	221.2	1,684.0	1,497.3	12.5
	Scrap	87.4	117.3	715.9	847.3	-15.5
	Grand Total	268.1	338.5	2,399.8	2,344.7	2.4
Net Imports		42.2	2.7	243.2	118.5	105.1

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989